

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 26 2014**

David Q. Richardson
Certified Public Accountant
PO Box 891
Tallulah, Louisiana 71284
318-574-0514

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
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DAVID Q RICHARDSON
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 891
TALLULAH LOUISIANA 71284-0891
cpa2912@bellsouth.net
318-574-0514
318-574-0176

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of
East Carroll Community Action Agency, Inc.
Lake Providence, Louisiana

I have reviewed the accompanying statement of financial position of East Carroll Community Action Agency, Inc. (a non-profit organization) as of December 31, 2012, and the related statements of activities, net assets, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services*, issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Tallulah, Louisiana
June 20, 2013

FINANCIAL STATEMENTS

**EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

Assets**Current Assets**

Cash	\$ 17,110
Accounts receivable	2,450
Due from other funds	<u>2,450</u>
Total Current Assets	<u>22,010</u>

Property and Equipment (Net)800**Total Assets**22,810**Liabilities and Net Assets****Liabilities**

Due to other funds	2,450
Total Liabilities	<u>2,450</u>

Net Assets

Invested in capital assets	800
Unrestricted	<u>19,560</u>
Total Net Assets	<u>20,360</u>

Total Liabilities and Net Assets\$ 22,810

See accompanying notes and Independent Accountant's Review Report.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Program Revenue	
Operating grants	\$ 266,834
Local revenue - donations	<u>6,873</u>
Total revenue	<u>273,707</u>
Expenses	
General government:	
Personal services	10,037
Operating services	2,296
Materials and supplies	3,505
Travel and other charges	9,575
Depreciation	180
Health and welfare	<u>248,228</u>
Total expenses	<u>273,821</u>
Change in Net Assets	(114)
Beginning of Year	<u>20,474</u>
Ending of Year	<u><u>\$ 20,360</u></u>

See accompanying notes and Independent Accountant's Review Report.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash flows from operating activities:	
Change in net assets	<u>\$ (115)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	180
Decrease in accounts receivable	<u>3,819</u>
Total adjustments	<u>3,999</u>
 Net cash provided by operating activities	 3,884
 Cash flows from investing activities:	 -
 Cash flows from financing activities:	 <u>-</u>
 Net increase (decrease) in cash and cash equivalents	 3,884
 Beginning cash and cash equivalents	 <u>13,226</u>
 Ending cash and cash equivalents	 <u><u>\$ 17,110</u></u>
 Supplemental disclosures:	
 Cash paid during year for interest	 <u><u>none</u></u>

See accompanying notes and Independent Accountant's Review Report.

**EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

The East Carroll Community Action Agency, Inc. was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the parish. The East Carroll Community Action Agency, Inc. is managed by eighteen advisory board members.

The East Carroll Community Action Agency, Inc. receives substantially all of its revenue from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. The Agency administers the following programs, shown with their approximate percentage of revenues for the year ended December 31, 2012:

Community Services Block Grant (CSBG Fund) (18%) - Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Louisiana Workforce Commission.

Home Energy Assistance Program (LI-HEAP Fund) (79%) - Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

Emergency Food and Shelter Fund (1%) - Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security.

General Fund (2%) - Used for all funds that are not required to be reported in another fund. This is usually local contributions, administrative funds, etc.

**EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. REPORTING ENTITY

The Agency is fiscally dependent on the East Carroll Parish Police Jury. The police jury owns, maintains and operates the building in which the Agency's office is located and provides funds for utilities and repairs of the Agency's office. In addition, the police jury's basic financial statements would be incomplete or misleading without the inclusion of the East Carroll Community Action Agency, Inc. For these reasons, the Agency was determined to be a component of the East Carroll Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the East Carroll Community Action Agency, Inc. and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Agency's financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions. Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Agency may spend the funds.

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restriction. Those donor restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

D. BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. INCOME TAX STATUS

The Agency is exempt from state and federal income taxes under Section 501(C)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Agency's tax exempt purpose is subject to taxation as unrelated business income. East Carroll Community Action Agency, Inc. had no such income for this period.

F. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

G. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost. All assets costing \$250 or more are capitalized. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of assets as follows:

Equipment	5 years
Furniture and fixtures	15 years

2. CASH

As of December 31, 2012, the book balance of the Agency's cash was \$17,110, and the bank balance was \$18,167. These deposits were fully covered by federal depository insurance.

**EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

3. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	Balance January 1, 2012	Addition	Deduction	Balance December 31, 2012
Furniture and fixtures	\$ 2,702	\$ -	\$ -	\$ 2,702
Office equipment	8,413	-	-	8,413
Total	<u>11,115</u>	<u>-</u>	<u>-</u>	<u>11,115</u>
Less accumulated depreciation				
Furniture and fixtures	1,722	180	-	1,902
Office equipment	8,413	-	-	8,413
Total	<u>10,135</u>	<u>180</u>	<u>-</u>	<u>10,315</u>
Capital assets - net	<u>\$ 980</u>	<u>\$ (180)</u>	<u>\$ -</u>	<u>\$ 800</u>

4. COMMITMENTS AND CONTINGENCIES

CONTINGENT LIABILITIES - GRANT AUDIT

The Agency receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the East Carroll Community Action Agency, Inc.'s financial position.

5. ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from funds provided through grants administered by the U.S. Department of Health and Human Services. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Agency receives could be reduced significantly and have an adverse impact on its operations.

SUPPLEMENTAL INFORMATION

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
COMBINING STATEMENT OF FINANCIAL POSITION
December 31, 2012

	General Fund	CSBG Fund	LI-HEAP Fund	Emergency Food & Shelter Fund	Total
Assets					
Current Assets					
Cash	\$ 12,665	\$ 278	\$ 4,166	\$ 1	\$ 17,110
Accounts receivable	-	2,450	-	-	2,450
Due from other funds	2,450	-	-	-	2,450
Total Current Assets	15,115	2,728	4,166	1	22,010
Property and Equipment (Net)	800	-	-	-	800
Total Assets	15,915	2,728	4,166	1	22,810
Liabilities and Net Assets					
Current Liabilities					
Due to other funds	-	2,450	-	-	2,450
Total Current Liabilities	-	2,450	-	-	2,450
Net Assets	15,915	278	4,166	1	20,360
Total Liabilities and Net Assets	\$ 15,915	\$ 2,728	\$ 4,166	\$ 1	\$ 22,810

See Independent Accountant's Review Report.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.
LAKE PROVIDENCE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES
December 31, 2012

	General Fund	CSBG Fund	LI-HEAP Fund	Emergency Food & Shelter Fund	Total
Revenues					
Federal grants	\$ -	\$ 48,516	\$ 215,456	\$ 2,274	\$ 266,246
State grant - Medicaid	588	-	-	-	588
Local revenue - donations	6,273	-	600	-	6,873
Total Revenue	6,861	48,516	216,056	2,274	273,707
Expenditure					
General government:					
Personal services	300	5,754	3,984	-	10,037
Operating services	102	1,488	707	-	2,296
Materials and supplies	1,883	433	1,097	91	3,505
Travel and other charges	179	2,088	7,309	-	9,575
Depreciation	180	-	-	-	180
Health and welfare	6,278	38,503	198,990	4,457	248,228
Total Expenditures	8,922	48,264	212,087	4,548	273,821
Changes in Net Assets	(2,061)	252	3,969	(2,274)	(114)
Net Assets - Beginning	17,976	26	197	2,275	20,474
Net Assets - Ending	<u>\$ 15,915</u>	<u>\$ 278</u>	<u>\$ 4,166</u>	<u>\$ 1</u>	<u>\$ 20,360</u>

See Independent Accountant's Review Report

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CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 891
TALLULAH LOUISIANA 71284-0891
cpa2912@bellsouth.net
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318-574-0176

Independent Accountant's Agreed Upon Procedures Report

To the Board of
East Carroll Community Action Agency, Inc.
Lake Providence, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the East Carroll Community Action Agency, Inc. and the Legislative Auditor, State of Louisiana, solely assist the users in evaluating management's assertions about the Agency's compliance with certain laws and regulations during the year ended December 31, 2012, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose of which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:221-2251 (the public bid law).

During the year ended December 31, 2012, the Agency had no expenditure that required bids.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Board member as defined by LSA-RS 42:1100-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included in the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Budgeting

None of the employees included on the list of employees provided by management in agreed upon procedure (3) appeared on the lists provided by management in agreed-upon procedure (2).

5. Obtain a copy of the legally adopted budget and all amendments.

The Agency did not adopt a budget for calendar year 2012.

6. Trace the budget adoption and amendments to the minute books.

The Agency did not adopt a budget for calendar year 2012.

7. Compare the revenues and expenditures of the final budget to actual revenues, actual expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

The Agency did not adopt a budget for calendar year 2012.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

A) Trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six disbursements and found that payment was for the proper amount and made to the correct payee.

B) Determine if payments were properly coded to the correct fund and general ledger account;

Six of the payments were properly coded to the correct fund and general ledger account.

C) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements did not have any evidence that the invoices were approved for payment.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:12 (the open meetings law).

The Agency is only required to post a notice of each meeting and the accompanying agenda on the door of the Agency's office building. Management has asserted that such documents were properly posted on the door of the office including an agenda for the meeting, but there is no supporting evidence that this was done.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances & Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the East Carroll Community Action Agency, Inc. for the year indicated no approval for any bonus, advance, or gift. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the East Carroll Community Action Agency, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Tallulah, Louisiana
June 20, 2013